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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE  
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	91184213
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**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE  
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

**In the matter of Trademark Application Serial No. 78914975  
For the mark, METAL GEAR**

**Galaxy Metal Gear, Inc.**

)

)

**Opposition No. 91184213**

**Opposer** )

)

)

**v.**

)

)

**TRIAL BRIEF FOR APPLICANT**

)

**Direct Access Technology, Inc.**

)

)

**Applicant** )

**APPLICANT'S TRIAL BRIEF**

Opposition No. 91184213

## TABLE OF CONTENTS

<b>I.</b>	<b>INTRODUCTION.....</b>	<b>7</b>
<b>II.</b>	<b>STATEMENT OF ISSUES.....</b>	<b>8</b>
<b>III.</b>	<b>DESCRIPTION OF THE RECORD.....</b>	<b>9</b>
	<b>A. OPPOSER’S EVIDENCE.....</b>	<b>9</b>
	<b>B. APPLICANT’S EVIDENCE.....</b>	<b>10</b>
<b>IV.</b>	<b>RECITATION OF THE FACTS.....</b>	<b>11</b>
<b>V.</b>	<b>ARGUMENT.....</b>	<b>15</b>
	<b>A. OPPOSER HAS NO STANDING TO RAISE THE ISSUES RAISED IN THE OPPOSITION.....</b>	<b>15</b>
	<b>B. OPPOSER CANNOT RAISE GROUNDS FOR OPPOSITION NOT RAISED IN ITS INITIAL PLEADINGS.....</b>	<b>18</b>
	<b>C. OPPOSER CANNOT PROVE FRAUD.....</b>	<b>19</b>
	<b>1. OWNERSHIP OF THE TRADEMARK.....</b>	<b>21</b>
	<b>2. OPPOSER HAS NOT PROVEN FRAUD.....</b>	<b>24</b>
	<b>D. METAL GEAR IS NOT MERELY DESCRIPTIVE OF COMPUTER ENCLOSURES.....</b>	<b>26</b>
	<b>1. THE DICTIONARY DEFINITIONS DO NOT PROVE DESCRIPTIVENESS .....</b>	<b>29</b>
	<b>2. OTHER REGISTRATIONS WITH DISCLAIMERS ARE IRRELEVANT.....</b>	<b>31</b>

3.	OPPOSER HAS ADMITTED THAT THE MARK IS NOT DESCRIPTIVE.....	32
VI.	CONCLUSION.....	33
	APPENDIX A.....	35

## INDEX OF AUTHORITIES

### CASES

<i>Abercrombie &amp; Fitch Co. v. Hunting World, Inc.</i> , 537 F.2d 4, 189 USPQ 759, 765 (2d Cir. 1976).....	27
<i>Boswell v. Mavety Media Group Ltd.</i> , 52 USPQ2d 1600, 1603 (TTAB 1999).....	37
<i>Concurrent Technologies Inc. v. Concurrent Technologies Corp.</i> , 12 USPQ2d 1054, 1057 (TTAB 1989).....	28,30
<i>Giant Food, Inc. v. Standard Terry Mills, Inc.</i> , 229 USPQ 955 (TTAB 1986).....	20
<i>Holiday Inns, Inc. v. Monolith Enterprises</i> , 212 USPQ 949, 952 (TTAB 1981).....	27
<i>In re Bayer Aktiengesellschaft</i> , 488 F.3d 960, 82 USPQ2d 1828, 1831 (Fed. Cir. 2007).....	27
<i>In re Bose Corporation</i> , 91 USPQ2d 1938 (Fed. Cir. 2009).....	8,19
<i>In re Bright-Crest, Ltd.</i> , 204 USPQ 591 (TTAB 1979).....	27
<i>In re Colonial Stores, Inc.</i> , 394 F.2d 549 USPQ 382 (C.C.P.A. 1968).....	28,30
<i>In re Diet Tabs, Inc.</i> , 231 USPQ 587, 588 (TTAB 1986).....	27
<i>In re Engineering Systems Corp.</i> , 2 USPQ2d 1075 (TTAB 1986).....	27
<i>In re Entenmann's Inc.</i> , 15 USPQ2d 1750, 1751 (TTAB 1990), aff'd 90-1495 (Fed. Cir. Feb. 13, 1991).....	27
<i>In re Gourmet Bakers, Inc.</i> , 173 USPQ 565 (TTAB 1972).....	27

<i>In re Gyulay</i> , 820 F.2d 1216, 3 USPQ2d 1009 (Fed. Cir. 1987).....	28
<i>In re Marriott Corp.</i> , 517 F.2d 1364, 186 USPQ 218, 222 (CCPA 1975).....	28
<i>In re Recovery</i> , 196 USPQ 830 (TTAB 1977).....	27
<i>In re Stroh Brewery Co.</i> , 34 USPQ2d 1796, 1797 (TTAB 1994).....	28,31
<i>In re TMS Corporation of the Americas</i> , 200 USPQ 57, 59 (TTAB 1987).....	27
<i>Lu Soro v. Citigroup, Inc.</i> Cancellation No. 92031572 (2006).....	17
<i>Lu Soro v. Citigroup, Inc.</i> 2008 U.S. App. LEXIS 14520, 287 Fed. Appx. 57 (11 <sup>th</sup> Cir., 2008).....	18
<i>Maids to Order of Ohio, Inc. v. Maid-to-Order, Inc.</i> 78 USPQ2d 1899 (TTAB 2006).....	25
<i>Plus Products v. Medical Modalities Associates, Inc.</i> , 211 USPQ 1199, 1204-1205 (TTAB 1981).....	27
<i>Racine Industries, Inc. v. Bane-Clene Corp.</i> , 35 USPQ2d 1832, 1837 (TTAB 1994).....	26,27
<i>Sengoku Works v. RMC International</i> , 96 F.3d 1217 (9th Cir. 1996).....	21
<i>Smith International, Inc. v. Olin Corp.</i> , 209 USPQ 1033, 1044 (TTAB 1981).....	20
<i>TC Limited v. Punchgini, Inc.</i> 482 F.3d 135 (2 <sup>nd</sup> Cir., 2007).....	22
 <b><u>RULES</u></b>	
Fed. R. Evid. 401-02.....	36,37,38

TMBP § 309.03(c).....	16, 18
TBMP § 801.03.....	10
TBMP § 703.01(j) and (k).....	35,36
TBMP § 707.03(c).....	35,36,38
TMEP §1213.....	29

## **SECONDARY AUTHORITY**

<i>McCarthy on Trademarks</i> § 16:35 (4th ed.).....	21
<i>McCarthy on Trademarks and Unfair Competition</i> , § 15:62 (4 <sup>th</sup> ed. 2007).....	25

## I. INTRODUCTION

Applicant seeks to register, on the Principal Register, the mark METAL GEAR in International Class 009. The goods on which the mark are used are listed as ENCLOSURES FOR EXTERNAL COMPUTER HARD DRIVES. The application was filed on June 22, 2006, claiming the mark was first used in commerce as of May 14, 2003. Publication for opposition occurred on January 22, 2008.

Opposer, Galaxy Metal Gear, Inc., has filed this opposition proceeding solely on the basis that Applicant committed fraud in its application because the “real” owner of the mark is a foreign manufacturer (“DataStor”) and that the mark METAL GEAR is merely descriptive of the Applicant’s product.<sup>1</sup> No other grounds for opposition are raised by the pleadings.<sup>2</sup>

For its fraud claim Opposer relies on the deposition of Momo Chen, a former sales employee of DataStor, who testified that while employed at DataStor she sold enclosures bearing the Metal Gear mark to Applicant, to Opposer and to a third company (Worldwide Marketing) which eventually sold the product to a U.S. company called CompUSA (now bankrupt). The problem with Ms. Chen’s testimony is that she was not employed at DataStor when the METAL GEAR mark was created, nor was she employed when Metal Gear enclosures were first sold by Applicant in 2003. Her testimony about sales after 2004, when she started working at DataStor is irrelevant to these

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<sup>1</sup>It should be noted that the alleged “real” owner has not opposed Applicant’s registration.

<sup>2</sup> Opposer attempts to shift the focus of its claim from one of fraud to one that Applicant does not own the trademark, however, such a claim is **not** raised in the complaint and could not be raised in the complaint because Plaintiff, having been incorporated years after Applicant began to use the mark, cannot establish the prior use necessary to oppose the application on this grounds.



proceedings. (See Applicant's objections set forth in Appendix "A") Any testimony as to what happened at DataStor prior to her employment in 2004 is without foundation and based on hearsay. Finally, Opposer submits no evidence bearing on the actual issues of fraud as set forth in *In re Bose Corporation*, 91 USPQ2d 1938 (Fed. Cir. 2009).

To support its claim that the METAL GEAR mark is merely descriptive, Opposer's evidence is limited to trademark registrations related to other goods in which the examiner required a disclaimer of "Metal" or "Gear" as part of the examination process and to the dictionary definitions of "metal", "gear" and "equipment." Opposer's use of other registrations is entitled to little weight under the law given that the registrations relate to different products and are not based on actions of this Board, and Opposer's reliance on the dictionary definition of one term in Applicant's composite mark violates the anti-dissection rule that states that composite marks are to be considered as a whole. METAL GEAR is not merely descriptive because it does not immediately and directly convey knowledge of the goods and services and consumers must use their imagination to understand the nature of the goods and services. Finally, Opposer's president, and designated person most knowledgeable about this claim, admitted at his deposition that METAL GEAR is not in any way descriptive of Applicant's products.

## **II. STATEMENT OF ISSUES**

The first issue in this matter is whether Applicant committed fraud in its application by claiming to be the owner of the METAL GEAR mark.

The second issue in this matter is whether METAL GEAR is merely descriptive of external

computer hard drive enclosures.

### **III. DESCRIPTION OF THE RECORD**

The evidence of record in this Opposition consists of:

#### **A. OPPOSER'S EVIDENCE**

- 1) Trial testimony of Tony Tan and exhibits therein;
- 2) Trial testimony of Patrick Wang and exhibits therein;
- 3) Rebuttal testimony of Patrick Wang and exhibits therein;
- 4) Deposition testimony of Momo Chen and exhibits therein (by order of the Board;
- 5) Cross-Complaint filed by Applicant, Direct Access Technology, Inc., and Complaint filed by Galaxy Metal Gear, Inc., in the case of Galaxy Metal Gear, Inc., v. Direct Access Technology, Inc., in the Los Angeles Superior Court case # BC 382375;
- 6) Trademark registrations made by third parties on the following trademarks: Metal Gear; Metal Shop; Road Gear; Clever Gear; Night Gear; Mommy Gear; and Health Gear;
- 7) Dictionary definitions of the words "equipment," "metal," and "gear."
- 8) Photograph of Comp USA "Metal Gear" product;
- 9) Exclusivity agreement between Datastor and Tech Depot, Inc.;
- 10) Opposer's trial testimony of Antonio Tan and related exhibits;
- 11) Opposer's trial testimony of Patrick Wang taken July 6, 2009 and related exhibits; and
- 12) Opposer's trial testimony of Patrick Wang taken December 9, 2010 and related exhibits.

Much of the purported evidence Opposer seeks to introduce should not be considered by the Board, except to the extent it constitutes admissions by Opposer. Applicant's objections to these materials are set forth in Appendix A hereto. (See TBMP § 801.03 ("evidentiary objections that may properly be raised in a party's brief on the case may instead be raised in an appendix or by way of a separate statement of objections").)

**B. APPLICANT'S EVIDENCE**

(1) Applicant's Application, U.S. Serial No. 78/914975, for METAL GEAR, and its file history;

(2) Portions of the discovery deposition of Antonio Tan taken on February 13, 2009 and identified in Applicant's First Notice of Reliance;

(3) The registration for Metal Gear, serial number, 78622615 and identified in Applicant's Second Notice of Reliance;

(4) The file in TTAB Opposition No. 91174214 and identified in Applicant's Third Notice of Reliance;

(5) Photograph of Applicant's product, being part of the official file of the USPTO and filed as part of the application bearing serial number 78914975 and identified in Applicant's Fourth Notice of Reliance;

(6) The lack of a dictionary definition for METAL GEAR, judicial notice of which was requested in Applicant's First Request for Judicial Notice.

(7) The Applicant's trial testimony of Patrick Wang taken November 2, 2009 and related

exhibits,

- 8) Opposer's trial testimony of Antonio Tan;
- 9) Opposer's trial testimony of Patrick Wang taken July 6, 2009; and
- 10) Opposer's trial testimony of Patrick Wang taken December 9, 2010.

#### **IV. RECITATION OF THE FACTS**

Opposer is a corporation owned, in part, by individuals who were prior employees of Applicant, Direct Access Technology, Inc. Opposer is owned by Antonio (Tony) Tan, Garry Ching and Geoffrey Ching, who are all officers in Applicant. (TT of Tan, page 16, lines 3-12)<sup>3</sup> At one time, Garry Ching and Geoffrey Ching were employees of Applicant. (TT of Tan, page 22, lines 11-14) They opened Opposer to compete with Applicant, selling the same goods as Applicant sells under the same or a confusingly similar mark as Applicant's mark. Previously, Opposer tried to register the mark GALAXY METAL GEAR BOX. Applicant successfully opposed that registration, with Opposer agreeing to abandon its application and change its mark. (TTAB proceedings No. 91174214) . (TT of Tan, page 37, line 18 - page 39, line 10)

Applicant is the owner of the trademark METAL GEAR, which Applicant has used in commerce on enclosures for external computer hard drives since at least May 14, 2003. (DT of Tan, page 20, line 5 through page 21, line 14; TT of Wang taken 7/6/2009, page 12, lines 9-16; TT of Wang taken 12/9/2009, page 6, lines 10-21 ) External hard drive enclosures are containers into which a hard drive is installed. (Photograph of enclosure (Applicant's Fourth Notice of Reliance); TT of Tan, page

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<sup>3</sup>TT will be used to refer to trial testimonial transcripts and DT will refer to the discovery deposition transcript found in Applicant's First Notice of Reliance.

28, lines 9-23) The enclosure is then attached to a computer via a USB or other connection. Computer files can then be stored on the hard drive in the enclosure. The enclosure has no gears or any moving parts. (TT of Tan, page 28, lines 9-23) Inside the container is merely a PC board which allows for communication between the hard drive and the computer, after the hard drive is installed into the enclosure. (TT of Tan, page 28, lines 9-23)

Applicant is a corporation involved in selling computer peripherals to retail stores. (TT of Wang taken 7/6/2009, page 7, lines 6-13) It manufactures some products it sells and imports other products. (TT of Wang taken 12/9/2009, page 17-18, lines 14-2) Applicant first began selling computer hard drive enclosures in 1998. (TT of Wang taken 7/6/2009, page 9, lines 18-20) At that time, Applicant was having its product made for it by a company called Welland. (TT of Wang taken 7/6/2009, page 19, lines 4-13) Later, Applicant started purchasing hard drive enclosures from DataStor and others.

Even though Applicant's goods were at one time manufactured for Applicant by another, (DataStor), Applicant is the originator of the METAL GEAR mark. In 2001 DataStor was looking for new OEM business and Applicant introduced DataStor to the enclosure products that Applicant was already selling. (TT of Wang taken 7/6/2009, page 48, lines 1-25) At the time, most enclosures were made of plastic and Applicant had an idea that if a way could be found to make the enclosures out of aluminum, the metal would act as a heat sink and the product would not need a cooling fan. (TT of Wang taken 7/6/2009, page 9, line 21 through page 10, line 3; page 16, line 6 through page 18, line 13) Applicant, in collaboration with DataStor, was able to solve the problem of manufacturing an aluminum enclosure with consistent thickness of the walls, such that the product could be properly

assembled. (TT of Wang taken 7/6/2009, page 16, line 6 through page 18, line 13)<sup>4</sup>

Applicant chose the mark METAL GEAR from a list of five or six names created by its employee, Patrick Wang. (TT of Wang taken 7/6/2009, page 52, line 24 through page 53, line 8) It instructed DataStor to manufacture the product with the METAL GEAR mark. (TT of Wang taken 7/6/2009, page 24, lines 3-11) Applicant also designed the gift box for the enclosures. (TT of Wang taken 7/6/2009, page 53, line 9 through page 54, line 25) The picture on the gift box of an enclosure marked METAL GEAR was supplied by Applicant to DataStor. (TT of Wang taken 7/6/2009, page 54, lines 18-25) DataStor's name does not appear anywhere on the gift box. (TT of Wang taken 7/6/2009, page 58, lines 10-11) Applicant's name appears on the gift box and the warranty information coming with the product identifies Applicant as the warrantor. (TT of Wang taken 11/2/2009, page 11, line 23 though page 12, line 1; page 15, lines 1-7)

DataStor was not the sole supplier of METAL GEAR enclosures to Applicant. (TT of Wang taken 7/6/2009, page 49, lines 8-19) At any one time, Applicant was buying from three or four companies. (TT of Wang taken 7/6/2009, page 28, lines 13 though page 29, line 2; TT of Wang taken 12/9/2009, page 17, lines 14-19) Further, Applicant owned the tooling that was used to manufacture the product. (TT of Wang taken 7/6/2009, page 41, line 25 through page 43, line 8) In addition, since 2005 Applicant has owned its own factory that manufactured some of the METAL GEAR enclosures Applicant was selling. (TT of Wang taken 12/9/2009, page 17, line 20 through page 18, line 2)

Applicant was the one that supplied the specifications for the enclosures. (TT of Wang taken

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<sup>4</sup>Applicant had an agreement with DataStor that DataStor would not compete with Applicant and that Applicant would be the exclusive one, in the US, to sell aluminum enclosures supplied by DataStor and that DataStor would not use METAL GEAR on any products sold in the US. (TT of Wang taken 7/6/2009, page 36, lines 1-22)

7/6/2009, page 56, line 8 through page 57, line 5) In 2005 or so, Applicant severed all relations with DataStor because of quality control problems and the sale of infringing products by DataStor. (TT of Wang taken 7/6/2009, pag 27-28, lines 13-5) DataStor then began selling the product, without Applicant's consent, to Opposer. According to Opposer, the only companies which have sold METAL GEAR branded enclosures in the U.S. are Applicant, Opposer, and for a brief time CompUSA. (TT of Tan, Page 11, Lines 4-8). DataStor actually sold the enclosures to a Taiwanese company, Worldwide Marketing, which then sold the product to CompUSA, a now bankrupt company. (Par. 4 of Exhibit 5 to TT of Wang taken 7/6/2009) Worldwide Marketing first bought enclosures in 2004, after Applicant was already selling enclosures bearing the METAL GEAR mark. (Par. 4 of Exhibit 5 to TT of Wang taken 7/6/2009) While Opposer relies on the objected to testimony of Momo Chen to support its claim of fraud, she has no personal knowledge about how the mark METAL GEAR came to be used on the product because she was not working at DataStor at the time. (DT of Momo Chen, page 49, Lines 13-22)

Mr. Wang, on behalf of Applicant, authorized the filing of the application and the claim of ownership. (TT of Wang taken 11/2/2009, page 16, line 16 through page 17, line 22) Mr. Wang believed at the time the application was filed and still believes that Applicant is the owner of the METAL GEAR mark for use on enclosures. (TT of Wang taken 11/2/2009, page 16, line 16 through page 17, line 22) His belief is based on Applicant being the first to use the mark, he created the mark for Applicant, the specifications for the product were created by Applicant and Applicant contacted the manufacturers to make the specified product for Applicant. (TT of Wang taken 11/2/2009, page 16, line 16 through page 17, line 22). There was no intent to deceive the Trademark office.

In 2007, Opposer stopped using METAL GEAR on its products, per its settlement agreement in connection with the TTAB proceedings No. 91174214. (TT of Tan, page 37, line 18 - page 39, line 10) The evidence shows that the only company currently selling METAL GEAR enclosures is the Applicant.

## **V. ARGUMENT**

### **A. OPPOSER HAS NO STANDING TO RAISE THE ISSUES RAISED IN THE OPPOSITION**

Opposer fails to address the standing issue in its opening brief, which alone is grounds for this Board to rule against the Opposition. Even if Opposer had briefed the standing issue, Opposer does not have standing to raise the issues raised in the Opposition.

In prior proceedings between the parties, found in TTAB Opposition No. 91174214, the parties settled the action with an agreement that Galaxy would change its mark and abandon, with prejudice, its application to register Galaxy Metal Gear as a mark. Opposer changed its mark and does not use the mark METAL GEAR any longer. (TT of Tan, page 37, line 18 - page 39, line 10). At the time Opposer filed this Opposition, it was no longer using METAL GEAR on any of its products, as per the terms of the settlement agreement. Mr. Tan testified, at page 38 as follows:

- “15 Q. Now, when is the last time that you ordered  
16 Galaxy Metal Gear enclosures?  
17 A. Galaxy Metal Gear enclosures? Probably 2007.  
18 Q. After you agreed to change or before you agreed



19 to change?

20 A. Before. It should be before.

21 Q. And the same with Metal Gear. Before you agreed

22 to change or after?

23 A. It should be before.”

Having expressly agreed, as part of a settlement with Applicant, that it will no longer use METAL GEAR on its products Opposer lost any ability to challenge Applicant’s registration. It has no standing to complain of Applicant’s use of the mark. As stated at TMBP §309.03(b):

“To have standing, Opposer must plead and prove a ‘real interest’ in the proceeding, and a ‘reasonable basis for its belief of damage.’ To plead a ‘real interest,’ plaintiff must allege a ‘direct and personal stake’ in the outcome of the proceeding. The allegations in support of plaintiff’s belief of damage must have a reasonable basis ‘in fact.’

...

“A plaintiff need not assert proprietary rights in a term in order to have standing. For example, when descriptiveness or genericness of the mark is in issue, plaintiff may plead (and later prove) its standing by alleging that it is engaged in the sale or the same or related products or services (or that the product or service in question is within the normal expansion of plaintiff’s business) and that the plaintiff has an interest in using the term descriptively in its business.”

Where a party cannot use the mark which is sought to be registered, he has no standing to

oppose the registration. In *Lu Soro v. Citigroup, Inc.* Cancellation No. 92031572 (2006), this Board granted summary judgment dismissing cancellation proceedings finding the plaintiff had no standing to bring the matter. Plaintiff had previously been enjoined by the district court from using the mark in question. In dismissing Soro's claim, the Board stated as follows:

“In this case, we find that there is no genuine issue of material fact that Soro lacks a legitimate commercial interest in the CITIGROUP mark and that, as a result, his belief in damage resulting from an alleged likelihood of confusion between his asserted mark and respondent's mark is wholly without merit. Under the terms of the permanent injunction, Soro and his company cannot establish that he has a right to use the CITIGROUP mark or trade name as he and his company are permanently enjoined from “using CITICORP as part of a name or mark or using any other name or mark confusingly similar to CITICORP, in connection with any business which Defendants conduct, own or control” and “holding themselves out as the owner of, or a person authorized to use CITICORP or a name confusing similar thereto, as a service mark, trademark or tradename.” The district court decision in the contempt proceeding established that any use by Soro of the mark or trade name CITIGROUP violates the terms of the permanent injunction because CITIGROUP is “confusingly similar to and not a safe distance from the world-famous ‘Citicorp’ mark.” Therefore, we find that there is no genuine issue of material fact that Soro is prohibited by the terms of the permanent injunction from using Citicorp or any mark or trade name confusingly similar, which includes the mark or trade name “Citigroup.” As a result, under the

terms of the permanent injunction, Soro, as a matter of law, has no standing to maintain this proceeding because he lacks a legitimate commercial interest in the CITIGROUP mark and cannot prevail herein. See e.g., *Coup v. Vornado Inc.*, 9 USPQ2d 1824 (TTAB 1988) (petitioner's failure to prove standing warrants grant of summary judgment for respondent)."

The Board's decision was affirmed by the 11<sup>th</sup> Circuit Court of Appeals in *Lu Soro v. Citigroup, Inc.* 2008 U.S. App. LEXIS 14520, 287 Fed. Appx. 57 (11<sup>th</sup> Cir., 2008) ("Here, the TTAB correctly determined that Soro did not have standing to file the original petition for cancellation, and the district court's dismissal of Soro's complaint may be affirmed on this ground.").

Opposer expressly agreed to stop using METAL GEAR as part of a settlement with Applicant in the 91174214 opposition proceedings. Pursuant to the agreement, Opposer stopped ordering product bearing the METAL GEAR mark in 2007, well prior to filing these proceedings. Just as Soro had no standing to bring his action because he was precluded from using the contested mark by court order, Opposer herein has no standing because it is precluded from using the mark because of contractual agreement.

**B. OPPOSER CANNOT RAISE GROUNDS FOR OPPOSITION NOT RAISED  
IN ITS INITIAL PLEADINGS**

A party is precluded from raising issues in its trial brief that are not raised in the pleadings. As stated in TMBP §309.03(c):

"A plaintiff cannot rely upon an unpleaded claim unless the plaintiff's pleading is

amended (or deemed amended), pursuant to Fed. R. Civ. P. 15(a) or (b), to assert the matter.”

Opposer, in its initiating pleadings, raises only fraud and descriptiveness as grounds for its Opposition. In its brief, Opposer states issue number one as whether Applicant is the real owner of the mark METAL GEAR. Perhaps Opposer merely misstated the issues in the case as in its recitation of the facts Opposer states that it contends Applicant “committed fraud in this application because of Applicant’s knowing false contention that Applicant owns the mark “Metal Gear” for computer enclosures.”

The only issues raised by the pleadings are whether Applicant committed fraud in claiming ownership of the mark METAL GEAR or whether the mark is merely descriptive of computer hard drive enclosures. To the extent Opposer is trying to expand the scope of the issues raised by the pleadings (e.g. by interposing a claim of priority of use by an entity not a party to these proceedings), Applicant objects and this Board should ignore any of Opposer’s new and unpleaded claims.

### **C. OPPOSER CANNOT PROVE FRAUD**

Opposer first challenges Applicant’s right to registration on the basis of fraud with respect to Applicant’s claim of ownership of the METAL GEAR mark. The sole basis for the claim revolves around the allegation of ownership. Opposer claims that the mark is really owned by Data Stor.

The test for determining whether an applicant for a trademark committed fraud was recently restated by the court in *In Re Bose Corporation* 580 F.3d 1240 (Fed. Cir. 2009). For purposes of the Trademark Act, an applicant or registrant commits fraud by **knowingly** and intentionally making a

false statement as to a material fact in conjunction with a trademark application or registration. To prove fraud, Opposer must show a representation by Applicant to the USPTO that is (1) false and material; (2) made with knowledge that it is false; and (3) willful intent to deceive the USPTO. As the court stated:

“We have previously stated that “[m]ere negligence is not sufficient to infer fraud or dishonesty.” *Symbol Techs., Inc. v. Opticon, Inc.*, 935 F.2d 1569, 1582 (Fed. Cir. 1991). We even held that “a finding that particular conduct amounts to ‘gross negligence’ does not of itself justify an inference of intent to deceive.” *Kingsdown Med. Consultants, Ltd. v. Hollister Inc.*, 863 F.2d 867, 876 (Fed. Cir. 1988) (en banc). The principle that the standard for finding intent to deceive is stricter than the standard for negligence or gross negligence, even though announced in patent inequitable conduct cases, applies with equal force to trademark fraud cases. After all, an allegation of fraud in a trademark case, as in any other case, should not be taken lightly. *San Juan Prods.*, 849 F.2d at 474 (quoting *Anheuser-Busch, Inc. v. Bavarian Brewing Co.*, 264 F.2d 88, 92, 84 Ohio Law Abs. 97 (6th Cir. 1959)). Thus, we hold that a trademark is obtained fraudulently under the Lanham Act only if the applicant or registrant knowingly makes a false, material representation with the intent to deceive the PTO.”

Fraud must be proven with clear and convincing evidence, and any doubt must be resolved against a finding of fraud. See *Giant Food, Inc. v. Standard Terry Mills, Inc.*, 229 USPQ 955 (TTAB 1986). See also *Smith International, Inc. v. Olin Corp.*, 209 USPQ 1033, 1044 (TTAB 1981) [“The

very nature of the charge of fraud requires that it be proven ‘to the hilt’...There is no room for speculation, inference or surmise and, obviously, any doubt must be resolved against the charging party.”].

Opposer’s fraud claim is based solely on a claim that the true owner of the METAL GEAR trademark is DataStor and not Applicant. In support of its claim that Applicant does not own the trademark, opposer relies on the presumption that a manufacturer is the owner of a mark as set forth in *Sengoku Works v. RMC International*, 96 F.3d 1217 (9th Cir. 1996), and on the testimony of Momo Chen. Opposer offers no evidence or even argument on the issue of an improper intent of Applicant.

## **1. OWNERSHIP OF THE TRADEMARK**

Applicant is the owner of the mark because it created the mark and is using it as a trademark for its goods. *McCarthy on Trademarks* § 16:35 (4th ed.) (“Trademark ownership inures to the legal entity who is in fact using the mark as a symbol of origin.”). The evidence establishes that Applicant was in the business of selling hard drive enclosures prior to doing any business with DataStor. Prior to Applicant’s introduction to Data Stor, Data Stor was not selling hard drive enclosures. Applicant and Data Stor entered into an agreement for Data Stor to manufacture hard drive enclosures for Applicant under the METAL GEAR brand. The brand name was chosen by Applicant from a list of marks created by Applicant. The gift box was designed by Applicant. While buying product from DataStor, Applicant was also buying METAL GEAR enclosures from other companies. Applicant owned the tooling used to make the enclosures. Applicant was the first to sell product in the United States bearing the METAL GEAR mark. Finally, at the time the application was filed, Applicant was

manufacturing the METAL GEAR enclosures at its own factory.

Opposer relies on the presumption that a manufacturer is the owner over a claim by a distributor. As seen, the claimed manufacturer is not here opposing the application, so the presumption does not apply. However, even if it did apply, a presumption only has the effect of shifting the burden of production of evidence to the party against whom the presumption is asserted. Once evidence is offered in opposition to the presumption, it disappears and the party bearing the burden of proof must present evidence in support of its contention. In *TC Limited v. Punchgini, Inc.* 482 F.3d 135 (2<sup>nd</sup> Cir., 2007) the court explained the workings of a presumption as follows:

“In all civil actions and proceedings not otherwise provided for by Act of Congress or by these rules, a presumption imposes on the party against whom it is directed the burden of going forward with evidence to rebut or to meet the presumption, but does not shift to such party the burden of proof in the sense of the risk of non-persuasion, which remains throughout the trial upon the party on whom it was originally cast. Fed. R. Evid. 301. Although the term "presumption" is not specifically defined in the Rules of Evidence, it is generally understood to mean "an assumption of fact resulting from a rule of law which requires such fact to be assumed from another fact or group of facts found or otherwise established in the action." 21B Charles Alan Wright & Kenneth W. Graham, Jr., *Federal Practice and Procedure* § 5124 (2d ed. 2005); accord Joseph M. McLaughlin, Jack B. Weinstein & Margaret A. Berger, *Weinstein's Federal Evidence* § 301.02[1] (2d ed. [\*21] 2006); see also *Texas Dep't of Cmty. Affairs v. Burdine*, 450 U.S. 248, 256 n.10, 101 S. Ct. 1089, 67 L. Ed. 2d 207 (1981)

(describing presumption as "legally mandatory inference"). **The assumption ceases to operate, however, upon the proffer of contrary evidence.** See generally *A.C. Aukerman Co. v. R.L. Chaides Constr. Co.*, 960 F.2d 1020, 1037 (Fed. Cir. 1992) (observing that under Rule 301, a "presumption is not merely rebuttable but completely vanishes upon the introduction of evidence sufficient to support a finding of the nonexistence of the presumed fact"); *Saratoga Vichy Spring Co. v. Lehman*, 625 F.2d at 1043 (suggesting that presumption of abandonment "disappears when rebutted by contrary evidence")." (Emphasis added)

Even if the presumption could apply in this factual situation, the presumption has been rebutted as Applicant has offered evidence that Applicant owns the trademark. Applicant was selling enclosures prior to dealing with DataStor and DataStor was not involved in that product line prior to its relationship with Applicant. Further, Applicant created the mark and directed DataStor to manufacture the product under that mark and to Applicant's specifications. Applicant designed the gift box and its name, not DataStor's, was on the box identifying Applicant as the originator of the product. Further, Applicant was having its product manufactured by several different companies, not just DataStor. Finally, Applicant owned the tooling needed to manufacture the product. Clearly, the Applicant's relationship with DataStor was one of OEM supplier, and Applicant is the manufacturer and the owner of the trademark.

Opposer's evidence does not establish, by clear and convincing evidence, that the METAL GEAR trademark is owned by DataStor. Applicant began selling METAL GEAR enclosures in May, 2003. The fact that others may have also sold enclosures bearing the METAL GEAR mark in 2004



or later does not mean that Applicant is not the owner of the METAL GEAR mark or that Applicant committed fraud. Opposer has not shown that any entity was selling METAL GEAR enclosures prior to Applicant's first use in 2003.

## **2. OPPOSER HAS NOT PROVEN FRAUD**

The facts show that at the time the application was filed, Applicant believed it was the owner of the trademark. Applicant believes it is the owner today. Further, all indicia of ownership point to applicant as the owner, including Applicant's creation of the mark, its design of the gift box for the product, its supplying a picture of the product bearing the mark for the gift box, its instruction to mark the product with METAL GEAR, its creation of and control over the specifications for the product, it being the first to sell the product bearing the mark in the U.S., its ownership of the tooling to manufacture the product, Applicant's simultaneous use of multiple suppliers of the enclosures bearing the METAL GEAR mark and Applicant have established its own manufacturing facility to manufacture the METAL GEAR enclosures prior to filing its application to register the mark. It is clear that Applicant is the owner of the METAL GEAR mark and any relationship with DataStor is properly classified as an OEM supplier.

Opposer also relies on the testimony of Momo Chen to show that DataStor was selling METAL GEAR enclosures to entities in addition to Applicant. Ms. Chen admitted in her deposition, however, that she did not start working at DataStor until more than one year after Applicant's first sale of product bearing the mark. (DT of Momo Chen, Page 44, lines 16-17) Momo Chen has no personal knowledge about how the mark METAL GEAR came to be used on the product because she

was not working at DataStor at the time. (DT of Momo Chen, page 49, Lines 13-22) Infringing sales by DataStor to others does not result in its ownership of Applicant's mark.

Even if Opposer could show that someone else was using the METAL GEAR mark before Applicant, that does not equate to a fraudulent intent by Applicant to deceive the Trademark office. *McCarthy on Trademarks and Unfair Competition*, § 15:62 (4<sup>th</sup> ed. 2007) ("The mere fact that some other uses of the same mark existed does not mean that the declaration was fraudulent because applicant's use was not "substantially exclusive." If such uses were either inconsequential or were infringing, there was no fraud.")

In *Maids to Order of Ohio, Inc. v. Maid-to-Order, Inc.* 78 USPQ2d 1899 (TTAB 2006), a claim for cancellation of a registration was made on the basis that the registration was procured through fraud. The Board rejected the claim of fraud for failing to disclose uses of the trademark by third parties and in doing so stated as follows:

"In this regard, we note that a trademark applicant has no duty to investigate potential conflicting uses that might be found through a trademark search, and therefore **there is no duty to investigate specific information such as when a third party may have started using a mark.** See e.g. *Money Store v. Harriscorp Finance, Inc.*, 689 F.2d 666, 216 USPQ 11 (7th Cir. 1982) [an applicant has no duty to investigate and report to the USPTO all other possible users of the same or similar mark]." (Emphasis added)

It may be that DataStor did not live up to its agreement not to sell enclosures to others in the

U.S. or it may be that DataStor did live up to its agreement because all sales were to Worldwide in Asia and not directly to CompUSA in the US. It may be that DataStor infringed on Applicant's rights by selling enclosures to others under Applicant's mark or it may be that DataStor did not infringe because the sales were made in Asia. The sales which eventually made its way to CompUSA are irrelevant, however, because Applicant was the first to sell product bearing the mark in the US and Applicant created the mark. Applicant is the owner of the mark.

Here, Applicant never intended to deceive the Trademark office regarding its ownership of the METAL GEAR mark. Mr. Wang testified to having authorized the claim of ownership because he believed then, and believes today, that Applicant is the owner of the mark. Not only is Applicant's belief honest, it is true. Applicant created the mark, instructed DataStor and other suppliers to make the product with the METAL GEAR mark on it, created the specifications for the product, created the artwork for the gift box, marked the product with its name and not DataStor's name, provided the warranty protection for the end user, owned the tooling needed to make the product and manufactured the product for itself for more than one year prior to filing to register the mark. Opposer has not shown even a scintilla of evidence of fraud.

**D. METAL GEAR IS NOT MERELY DESCRIPTIVE OF COMPUTER ENCLOSURES**

Opposer also claims that the METAL GEAR registration should be denied because the mark is merely descriptive of the product. Opposer has the burden of establishing by a preponderance of the evidence that METAL GEAR is merely descriptive of hard drive enclosures. *Racine Industries*,

*Inc. v. Bane-Clene Corp.*, 35 USPQ2d 1832, 1837 (TTAB 1994).

The test for determining whether a mark is merely descriptive is whether it immediately conveys information concerning a quality, characteristic, function, ingredient, attribute or feature of the product or service in connection with which it is used, or intended to be used. *In re Bayer Aktiengesellschaft*, 488 F.3d 960, 82 USPQ2d 1828, 1831 (Fed. Cir. 2007); *In re Engineering Systems Corp.*, 2 USPQ2d 1075 (TTAB 1986); *In re Bright-Crest, Ltd.*, 204 USPQ 591 (TTAB 1979). Moreover, the immediate idea must be conveyed with some "degree of particularity." *In re Entenmann's Inc.*, 15 USPQ2d 1750, 1751 (TTAB 1990), *aff'd* 90-1495 (Fed. Cir. Feb. 13, 1991); *In re TMS Corporation of the Americas*, 200 USPQ 57, 59 (TTAB 1987).

A mark is descriptive if it "forthwith conveys an immediate idea of the ingredients, qualities or characteristics of the goods [and/or services]." *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 189 USPQ 759, 765 (2d Cir. 1976). In order to be descriptive, the mark must immediately convey information as to the qualities, features or characteristics of the goods and/or services with a "degree of particularity." *Plus Products v. Medical Modalities Associates, Inc.*, 211 USPQ 1199, 1204-1205 (TTAB 1981). See *In re Diet Tabs, Inc.*, 231 USPQ 587, 588 (TTAB 1986); *Holiday Inns, Inc. v. Monolith Enterprises*, 212 USPQ 949, 952 (TTAB 1981); *In re TMS Corp. of the Americas*, 200 USPQ 57, 59 (TTAB 1978); and *In re Gourmet Bakers, Inc.*, 173 USPQ 565 (TTAB 1972).

The determination of mere descriptiveness must be made not in the abstract or on the basis of guesswork, but in relation to the goods or services for which registration is sought, the context in which the mark is used, and the impact that it is likely to make on the average purchaser of such goods or services. *In re Recovery*, 196 USPQ 830 (TTAB 1977). The fact that a term may be

descriptive of certain goods is not determinative of whether it is descriptive of other goods, even if the goods are closely related. *In re Stroh Brewery Co.*, 34 USPQ2d 1796, 1797 (TTAB 1994).

A mark is suggestive, and therefore registrable on the Principal Register without a showing of acquired distinctiveness, if imagination, thought or perception is required to reach a conclusion on the nature of the goods or services. *In re Gyulay*, 820 F.2d 1216, 3 USPQ2d 1009 (Fed. Cir. 1987). Simply because a term may have some association with the goods or services does not mean that the mark is merely descriptive. *In re Marriott Corp.*, 517 F.2d 1364, 186 USPQ 218, 222 (CCPA 1975) (“Nor do we view the slogan WE SMILE MORE as descriptive of hotel, restaurant, or convention services... [T]he slogan mark before us would at most suggest the facial expression of persons performing the services. It does not describe the services themselves”)

Even though two words may, by themselves, be descriptive, a combination of descriptive terms may be registrable if the composite creates a unitary mark with a separate, nondescriptive meaning. *In re Colonial Stores, Inc.*, 394 F.2d 549 USPQ 382 (C.C.P.A. 1968) (holding SUGAR & SPICE not to be merely descriptive of bakery products). In determining whether a mark is merely descriptive, one must consider the mark in its entirety. *Concurrent Technologies Inc. v. Concurrent Technologies Corp.*, 12 USPQ2d 1054, 1057 (TTAB 1989).

Opposer has a paucity of facts that it relies on in this matter and its arguments are confusing. First, Opposer relies on a chain of various dictionary definitions. The contorted use of a chain of definitions proves, however, that the mark is not descriptive.

Opposer also relies on registrations where either Metal or Gear is disclaimed, trying to argue that if both Metal and Gear are disclaimed in the various registrations, the combination of Metal and

Gear must be disclaimed. However, this tactic fails too because the registrations are not relevant to the issue of descriptiveness and Opposer is attempting to violate the rule against dissection.

# **1. THE DICTIONARY DEFINITIONS DO NOT PROVE DESCRIPTIVENESS**

Even though the word “Metal” was disclaimed as a condition of approval of Applicant’s application, that does not mean it can be ignored in determining whether the mark as a whole is descriptive. Such disclaimers are routine and entitled to no weight in this analysis. TMEP §1213 states as follows:

“The purpose of a disclaimer is to permit the registration of a mark that is registrable as a whole but contains matter that would not be registrable standing alone, without creating a false impression of the extent of the registrant’s right with respect to certain elements in the mark. As stated in *Horlick’s Malted Milk Co. v. Borden Co.*, 295 F. 232, 234, 1924 C.D. 197, 199 (D.C. Cir. 1924):

[T]he fact that a mark contains descriptive words is not enough to warrant a refusal to register it. Unless it consists only of such words, it may not be refused a place on the registry of the Patent Office.

The significance of a disclaimer is conveyed in the following statement:

As used in trade mark registrations, a disclaimer of a component of a composite mark amounts merely to a statement that, in so far as that particular registration is concerned, no rights are being asserted in the disclaimed component standing alone, but rights are asserted in the

composite; and the particular registration represents only such rights  
as flow from the use of the composite mark.

*Sprague Electric Co. v. Erie Resistor Corp.*, 101 USPQ 486, 486-87 (Comm’r Pats. 1954).”

Looking at the mark as a whole, shows that it is not descriptive. There is no dictionary definition of “METAL GEAR.” (Applicant’s First Request for Judicial Notice). The mark is an undefined combination of words.

Opposer tries to force the proverbial square peg into a round hole by arguing that one needs to look at the definition of each word as though it was the only word in the mark. Opposer appears to be claiming that since Applicant disclaimed “METAL” as required by the examiner, that part of the mark should be ignored. Then, looking at the definition of “GEAR” one finds the term “equipment.” Turning to the definition of “equipment” one finds that it is an implement used in an activity or operation. The mere fact that one must go through this thought process of looking at a chain of dictionary terms to force a part of the composite mark to fit the legal meaning of descriptiveness proves by itself that the mark is not descriptive.

Opposer’s argument is not support by the law, which is to the contrary. It does not permit such dissection of the mark. In determining whether a mark is merely descriptive, one must consider the mark in its entirety. *Concurrent Technologies Inc.* , supra. Even though two words may, by themselves, be descriptive, a combination of descriptive terms may be registrable if the composite creates a unitary mark with a separate, nondescriptive meaning. *In re Colonial Stores, Inc.*, supra.

Further, looking at the dictionary definitions relied on by Opposer, one sees that it takes a strained thought process to associate METAL GEAR with Applicant’s products. When “gear” is

used in the sense of “equipment” it is preceded by an action verb used to describe the type of equipment. The dictionaries relied on by Opposer give an example of “fishing gear” following the definition. Other known examples are “camping gear,” “jogging gear,” and “riding gear.” In every instance, the word “gear” is modified by an action verb associating the word “gear” with a particular activity. When one sees the term “gear” used in this way, one would naturally associate the words as “gear for \_.” Looking at Applicant’s mark, the natural interpretation would be “gear for metal.” Only by abstract and incongruous reasoning could one associate computer hard drive enclosures with “gear for metal.” Perhaps if Applicant was attempting to trademark the combination for smelting equipment, Opposer’s counsel may have a point. However, that is not Applicant’s product.

## **2. OTHER REGISTRATIONS WITH DISCLAIMERS ARE IRRELEVANT**

The fact that examiners, in considering other applications to register Metal Gear, required a disclaimer of either Metal or Gear as a condition of granting the application is irrelevant. One reason these other registrations are irrelevant is, of course, because accepting the disclaimer is often more expedient than fighting the disclaimer and delaying registration. None of the registrations relied on by Opposer involve a disclaimer ordered by the Board after review.

Another reason the registrations are irrelevant is that none involve goods which are identical or even similar to the goods of Applicant. The fact that a term may be descriptive of certain goods is not determinative of whether it is descriptive of other goods, even if the goods are closely related. *In re Stroh Brewery Co.*, supra. On the other hand, registration has been allowed for METAL GEAR



for flashlights in the same International Class which applies to Applicant's goods. (See Applicant's Second Notice of Reliance) While that registration does not involve goods identical to the Applicant's, it does show that in some circumstances the examiners feel that the mark is registrable.

### **3. OPPOSER HAS ADMITTED THAT THE MARK IS NOT DESCRIPTIVE**

The product in question is a metal or plastic case into which a computer hard drive is installed. There are no moving parts inside. The only thing inside is a small circuit board that allows the hard drive to communicate with the computer. There are no mechanical parts or gears inside.

To Mr. Tan, the designated representative of Opposer and the person most knowledgeable about whether the mark is descriptive, the mark METAL GEAR **does not** convey some idea about one of the parts or ingredients of the enclosures.<sup>5</sup> (DT of Tan, page 48, lines 14-17) Nor does it convey some idea about a characteristic of the enclosure. (DT of Tan, page 48, lines 19-22) The METAL GEAR mark does not convey any idea about any features of the enclosures. (DT of Tan, page 48, lines 24-25, page 49, line 1) There is nothing about the mark that makes Mr. Tan, the person most knowledgeable at Opposer, think that METAL GEAR describes the Applicant's enclosures.

“Q. Is there anything about the trademark Metal Gear that makes you think it describes the enclosure?

...

THE WITNESS: No.”

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<sup>5</sup>Opposer's objections to Mr. Tan's testimony has already been overruled by the Board in the Board's ruling on Applicant's motion for summary judgment. Docket No. 19, page 8.

(DT of Tan, page 52, lines 24-25, page 53, lines 1-2)

Mr. Tan is presumably quite familiar with the industry being an owner of Opposer and having been appointed by Opposer as the person most knowledgeable about the claim of descriptiveness. His admissions should be given more credence by the Board than the arguments of counsel for Opposer.

## **VI. CONCLUSION**

It is clear that there was no fraud by Applicant that would serve as a basis for refusal to register the mark. Applicant is clearly the owner of METAL GEAR for use on hard drive enclosures. Whether others, including the Opposer, may have infringed on Applicant's rights is irrelevant. Applicant had a reasonable and honest belief in the truth of its claim of ownership at the time the application was filed, given that applicant originated the mark, was the first to sell product bearing the mark in the US, created and controlled the specifications for the product which bore the mark, owned the tooling needed to make the product, purchased product bearing the mark from three or four different suppliers at the same time, was manufacturing the product itself in its own factory at the time the application to register the mark was filed, and holding itself out as the source of the product. There is no evidence to prove fraud and Opposer does not even make an argument that Applicant intended to deceive the examiner.

Further, there is no evidence to show that METAL GEAR is descriptive of hard drive enclosures. A combination mark must be viewed in its entirety, not by its individual components. There is no evidence to show that one would immediately picture Applicant's product when hearing METAL GEAR or that when seeing Applicant's product one would exclaim "METAL GEAR". Even

calling the mark suggestive of the product requires a stretch of the imagination

March 18, 2010

Respectfully Submitted,

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/MCO/ -Michael C. Olson

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Opposition No. 91184213

## **APPENDIX “A”**

### **EVIDENTIARY OBJECTIONS TO APPLICANT’S EVIDENCE**

Much of the purported evidence Applicant seeks to introduce should not be considered by the Board, except to the extent it constitutes admissions.

#### **A. Testimonial Depositions and Exhibits Thereto**

##### **1. Momo Chen**

First, Applicant objects to the introduction of the Momo Chen deposition in its entirety because it does not appear to have been signed by the witness, and this requirement was not waived on the record by the agreement of all parties. The parties only stipulated that the transcript be sent to Taiwan where the witness could sign it under penalty of perjury, rather than have the witness return to the U.S. to review and sign the transcript. Further, the transcript is not even authenticated by the court reporter. Finally, the transcript is incomplete because the exhibits identified at the deposition are not attached. Accordingly, it should be stricken from the record. TBMP § 703.01(j) and (k).

Second, Applicant maintains and does not waive any of the objections its counsel raised to the answers of Mom Chen at the deposition. See 37 C.F.R. § 2.123(k); TBMP 707.03(c).

Third, Applicant objects to the introduction of the Momo Chen Deposition in its entirety because it is irrelevant to these proceedings, and because of a lack of foundation to show that Ms. Chen has any knowledge of the facts in existence in May 2003, when Applicant first began to use the METAL GEAR mark. Ms. Chen admits that she was not employed at DataStor until 2004 and has

no knowledge of relevant matters prior to the date of her hire. (DT of Chen, page 14, lines 10 -17; page 45, lines 4-7; page 46, lines 16-18; page 49, lines 9-22; page 53, lines 11-16 ) Fed. R. Evid. 401-02.

## **2. Antonio Tan Trial Deposition and Exhibits**

First, Applicant objects to the introduction of the Antonio Tan deposition, except for those portions which constitute admissions against Opposer, because it does not appear to have been signed by the witness, and this requirement was not waived on the record by the agreement of all parties. The parties only stipulated that Opposer's attorney would receive the transcript and have the witness review it and sign it under penalty of perjury within 20 days. Further, the transcript is not even authenticated by the court reporter. TBMP § 703.01(j) and (k).

Second, Applicant maintains and does not waive any of the objections its counsel raised to the answers of Antonio Tan at the deposition. See TBMP 707.03(c).

Third, Applicant objects to Exhibit 1 to the deposition of Antonio Tan on the grounds of Relevancy and Foundation. Exhibit 1 is a photograph of a box Mr. Tan received in 2006 from DataStor. (TT of Tan, page 11, line 18 through page 12, line 10) Applicant began using the mark in May, 2003. What happened in 2006 is irrelevant to the issues in this case. Fed. R. Evid. 401-02.

Fourth, Applicant objects to Exhibit 2 to the deposition of Antonio Tan on the grounds of Relevancy and Foundation. Exhibit 2 is a purported exclusivity agreement between two non-parties to these proceedings (Tech Depot and DataStor). The exhibit was entered into in December 2006 and relates to unidentified products to be sold by DataStor. Applicant began using the mark in May,

2003. What happened in 2006 between corporations that are not parties to these proceedings are irrelevant to the issues in this case. Fed. R. Evid. 401-02.

### **3. Exhibits to Deposition of Patrick Wang taken July 6, 2009**

First, Applicant objects to Exhibit 3 to the deposition of Patrick Wang<sup>6</sup> taken July 6, 2009 by Opposer on the basis of relevancy. Exhibit 3 is a patent issued to an employee of DataStor in 2006. Whether a patent was obtained on a feature of the product or not is irrelevant to these proceedings, which relate to whether a trademark should be issued or not. Fed. R. Evid. 401-02.

Second, Applicant objects to Exhibit 6 to the deposition, which is identical to Exhibit 2 to the deposition of Antonio Tan. Exhibit 2 is a purported exclusivity agreement between two non-parties to these proceedings (Tech Depot and DataStor). The exhibit was entered into in December 2006 and relates to unidentified products to be sold by DataStor. Applicant began using the mark in May, 2003. What happened in 2006 between corporations that are not parties to these proceedings are irrelevant to the issues in this case. Fed. R. Evid. 401-02.

Third, Applicant objects to Exhibit 7 to the deposition on the grounds of relevancy. Exhibit 7 is a cease and desist letter sent to infringers of Applicant's trademark. It has no relevancy to these proceedings, which relate to Opposer's claims of fraud and descriptiveness, the only issues raised in these proceedings. Fed. R. Evid. 401-02.

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<sup>6</sup>Mr. Wang signed his deposition and a copy of the signature page was given to Opposer's counsel but counsel did not attach the signature page to the transcript electronically filed with the Board, for some unknown reason.

#### 4. Deposition of Patrick Wang taken December 12, 2009 and Exhibits

First, Applicant objects to the deposition of Patrick Wang taken on December 12, 2009<sup>7</sup> during Opposer's rebuttal period, to the extent that the questions posed and answers given are beyond the scope of proper rebuttal. See *Boswell v. Mavety Media Group Ltd.*, 52 USPQ2d 1600, 1603 (TTAB 1999) (declined to take judicial notice of slang dictionary definition when submitted as part of rebuttal testimony when could have been submitted with case in chief). Applicant specifically objects to the following portions of the transcript as improper rebuttal:

- a. Page 7, line 24 through Page 14, line 5

All of the questions posed and answers given could have been raised in the deposition of Mr. Wang taken by Opposer during its initial testimonial period. They are improper rebuttal.

Second, Applicant maintains and does not waive any of the objections its counsel raised to the answers of Antonio Tan at the deposition. See TBMP 707.03(c).

Third, Applicant objects to Exhibit 9 of the deposition as improper rebuttal evidence. TBMP § 703.03(c) It could have been raised during the initial testimonial period and does not relate to any matter raised by Applicant during its testimonial period. Further, Applicant objects to Exhibit 9 on the grounds that the exhibit is irrelevant to the issues in this proceeding. Exhibit 9 is a copy of a lawsuit filed against Opposer for unfair competition and infringement of a common law trademark and does not relate to Opposer's claims of fraud and descriptiveness, the only issues raised in these proceedings. Fed. R. Evid. 401-02.

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<sup>7</sup>Mr. Wang signed his deposition and a copy of the signature page was given to Opposer's counsel but counsel did not attach the signature page to the transcript electronically filed with the Board, for some unknown reason.

**B. Attachments to Opposer's Opening Brief**

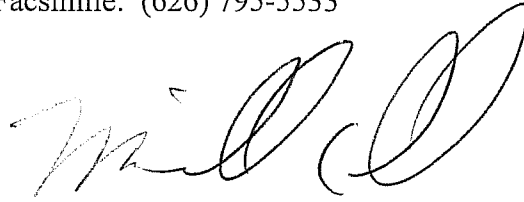
Opposer attaches to its opening brief a complaint it filed against Applicant for defamation. The exhibit is not identified in any Notice of Reliance or Request for Judicial Notice. It was not identified and authenticated in any deposition taken during the initial testimonial period or even on rebuttal. There is no foundation for the exhibit, it is irrelevant to the issues raised in these proceedings and is improper.



**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a true copy of the foregoing **TRIAL BRIEF FOR APPLICANT** was served on Jen-Feng Lee, counsel for applicant on this 18th day of March, 2010 by depositing a copy of the same in the United States mail, first class postage prepaid, addressed to:

Jen-Feng Lee, Esq.  
LT Pacific Law Group  
17800 Castleton Street, #383  
City of Industry, CA 91748  
Telephone: (626) 795-5555  
Facsimile: (626) 795-5533

A handwritten signature in black ink, appearing to read "Michael C. Olson", written over a horizontal line.

Michael C. Olson